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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/845,415

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Mel Gunewardena

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04/20/2006

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EXAMINER

HAVAN, THU THAO

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 04/20/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/845,415

Applicant(s)

GUNEWARDENA ET AL.

Examiner

Thu Thao Havan

Art Unit

3624

**– The MAILING DATE of this communication appears on the cover sheet with the correspondence address –**  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 30 April 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-84 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-4, 6-9, 11-17, 19-23, 25-32, 34-37, 39-45, 47-51, 53-60, 62-65, 67-73, 75-79 and 81-84 is/are rejected.
- 7) ☒ Claim(s) 5, 10, 18, 24, 33, 38, 46, 52, 61, 66, 74 and 80 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 30 April 2001 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 5/24/04.
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: \_\_\_\_\_.

### **Detailed Action**

#### ***Drawings***

New corrected drawings in compliance with 37 CFR 1.121(d) are required in this application because handwritten fonts are difficult to read. Applicant is advised to employ the services of a competent patent draftsman outside the Office, as the U.S. Patent and Trademark Office no longer prepares new drawings. The corrected drawings are required in reply to the Office action to avoid abandonment of the application. The requirement for corrected drawings will not be held in abeyance.

#### ***Claim Objections***

Claims 5, 10, 18, 24, 33, 38, 46, 52, 61, 66, 74, and 80 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

#### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States

Art Unit: 3624

only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-4, 6-9, 11-17, 19-23, 25-32, 34-37, 39-45, 47-51, 53-60, 62-65, 67-73, 75-79, and 81-84 are rejected under 35 U.S.C. 102(e) as being anticipated by Bettis et al. (US 7,016,872).

Re claims 1, 14, 29, 42, 57, and 70, Bettis teaches a method for ranking relative risk of a plurality of transactions, wherein each of the transactions has associated therewith a plurality of variables (abstract; Bettis discloses performance score that used to produce a ranked list of investors in a particular industry, as well as with investors in different industries), comprising:

assigning a value to each of the variables associated with each of the transactions (col. 5, lines 18-52; Bettis assigns a value to each transaction by having values such as person-security-id or security-id, etc.);

aggregating the values assigned to each of the variables on a transaction by transaction basis to produce an aggregate risk level for each transaction (col. 4, lines 15-29; Bettis discloses aggregating score and rank of the insiders/entities by the aggregate statistics); and

ranking each of the transactions relative to one another based upon the aggregate risk level corresponding to each transaction (col. 3, line 61 to col. 4, line 67; Bettis discloses all insiders to be evaluated are ranked based on the returns that are observed after their decisions for buying and selling activity (a decision is a cluster of buying, selling or other type of transaction). All insiders are given a performance score for: Buying relative to the Insider Universe, Selling relative to the Insider Universe, Buying relative to the Insider's Respective

Industry and Selling relative to the Insider's Respective Industry. This produces a total of four alternative Insider Scores).

Re claims **2, 15, 19, 27, 30, 43, 47, 55, 58, 71, 75, and 83**, Bettis teaches assigning a value to each of the variables associated with each of the transactions further comprises assigning a normalized risk factor value to each of the variables associated with each of the transactions based upon a raw value associated with each of the variables of each of the transactions and wherein the step of aggregating the values assigned to each of the variables on a transaction by transaction basis to produce an aggregate risk level for each transaction further comprises aggregating the normalized risk factor values assigned to each of the variables on a transaction by transaction basis to produce an aggregate risk level for each transaction (figs. 8-11). In figures 8-11, Bettis uses raw score to calculate the risk level.

Re claims **3, 16, 31, 45, 59, and 72**, Bettis teaches each value is normalized to a predetermined normalization range (col. 1, lines 22-31; abstract). Bettis discloses normalization by the average score. He discloses the performance score is determined at least in part by considering an average historical performance of the investment.

Re claims **4, 17, 32, 60, and 73**, Bettis teaches predetermined normalization range is between 0 to 1, inclusive (col. 9, line 25 to col. 10, line 62).

Re claims **6, 20, 34, 48, 62, and 76**, Bettis teaches each variable is selected from the group of quantitative variables and qualitative variables, wherein each variable which is a quantitative variable has associated therewith a raw value corresponding to an actual quantitative value, and wherein each variable which is a qualitative variable has associated

Art Unit: 3624

therewith a raw value corresponding to a value selected from a predetermined qualitative value range (col. 3, lines 1-26; col. 7, line 40 to col. 8, line 61).

Re claims **7, 21, 35, 49, 63, and 77**, Bettis teaches predetermined qualitative value range is between 1 to 10, inclusive (col. 9, line 25 to col. 10, line 62). Bettis discloses range of 0 to 1 with range average range of 0.5.

Re claims **8, 22, 36, 50, 64, and 78**, Bettis teaches each quantitative variable is selected from the group including: elapsed time, historical volatility, deviation from average volatility, mark-to-market, trader error ratio, sales error ratio, frequency of notional, outgoing confirm delay/elapsed time, time to settlement cutoff, and fail recovery time (col. 3, line 61 to col. 4, line 11; col. 5, lines 53-56).

Re claims **9, 23, 37, 51, 65, and 79**, Bettis teaches each qualitative variable is selected from the group including: client sensitivity, execution method, client operating infrastructure, incoming confirm method, outgoing confirm method, internal credit rating, potential OD rates, payment instruction precedence, regulatory risk, master agreement (provisions for netting), country operating infrastructure, liquidity risk, template precedence, and product complexity (col. 12, lines 30-50; col. 3, line 61 to col. 4, line 11; col. 5, lines 53-56). Bettis retrieves a list of investors and generating an evaluation list by removing investors failing to meet predetermined criteria from the list. Also, he calculates a performance score for each investor listed on the evaluation list indicative of the investor's performance by considering an average historical performance of an investment following a transaction by the investor, a historical consistency of the investor's performances with respect to transactions involving the at least one investment, and the number of transactions made by the investor

Re claims **11, 25, 39, 53, 67, and 81**, Bettis teaches transactions are ranked relative to one another in descending order of aggregate risk level (col. 22, lines 19-39; fig. 12). Bettis discloses buy score generation commences with sorting of the investors into descending (or ascending) raw buy score order.

Re claims **12, 26, 40, 54, 68, and 82**, Bettis teaches transactions are ranked relative to one another in ascending order of aggregate risk level (col. 22, lines 19-39; fig. 12). Bettis discloses buy score generation commences with sorting of the investors into descending (or ascending) raw buy score order.

Re claims **13, 28, 41, 56, 69, and 84**, Bettis teaches risk is operational risk (col. 3, lines 8-12 and lines 40-45). Bettis discloses operational risk by disclosing the performances and actions of the insider traders affect the investing world. Their daily performances and actions are operational risk.

### **Conclusion**

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Kansal et al, US 6,871,181

Edesess, US 5,884,287

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Thu Thao Havan whose telephone number is (571) 272-8111. The examiner can normally be reached on Monday-Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct-uspto.gov/>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at (866) 217-9197 (toll-free).

TTH  
4/15/2006

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